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# Spotlight

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## ON FOREIGN MARKETING



TO FAS MARKET DEVELOPMENT COOPERATORS AND AGRICULTURAL ATTACHES

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### FOODS FESTIVAL IN TOKYO

Hundreds of American foods were displayed, demonstrated and sold at the American Foods Festival at the Isetan Department Store in Tokyo, May 13-23.

The Festival, the largest in-store retail food promotion ever held in the Far East, was sponsored cooperatively by Isetan Co., Ltd. and FAS. U.S. cooperators and commercial food handlers of American foods in Japan participated in the promotion.

The sampling and demonstrations included such American items as soups, cheese and party snacks, several kinds of cooked poultry, coffee, tea, wines, nuts, honey, peanut butter, crackers, cookies, fresh, dried, canned, and frozen fruits, vegetables, and specialty foods, puddings, carbonated beverages, dry cereals, candies and confections, jams and marmalades, popcorn, and American-style doughnuts made from American wheat flour and cooked in soybean oil made from American beans.

Particularly impressive was the number of new American food products, both by type and brand, that appeared on the Isetan sales shelves for the first time. Japanese and American food trade representatives, watching closely the acceptance of new products, predicted that many of them would be-



Thousands of Japanese housewives bought American foods at the May 13-23 American Foods Festival held in Tokyo's Isetan Department Store.

come permanent additions to the Isetan food lines.

Tanji Kosuge, Isetan's president, said that nearly one million customers and visitors came to the store during the promotion, 30 percent more than during a normal sales period of the same length. He credited the American Festival for increased patronage and added that all sales in the store increased, not only food but also other lines of merchandise.



## MARKETING RESEARCH FOR NEW PRODUCT PLANNING

Marketing research techniques with possible application to U.S. food and agricultural firms operating overseas were discussed at a May 17-19 seminar of the American Management Association.

In pre-testing a new product, (or an established product in a new market) some market researchers are working with selected panels of about a hundred people. This procedure is much less expensive than market testing and enables the firm to get much of the essential information without exposing the product to its competitors.

The research often follows these steps:

*Concept Evaluation.* The general concept of a new product is evaluated by a panel. For example, the panel is questioned as to the acceptability of a chocolate milk shake which is easy to make, can be made by children without messing up the kitchen, and tastes like a soda fountain milk shake.

*Product Placement Tests.* If the concept evaluation panel likes the idea, the firm goes ahead and develops the product in a rudimentary stage and tests it out with another panel. The reactions are noted, including the price the housewives would be willing to pay for it.

*Confirming Tests.* Further laboratory refinements are made and the product is again tested, this time by a selected sample of housewives in the markets where the product is to be sold.

*Market Testing or Home-Use Consumption Testing.* The final step might be to put the product into small-scale production and test it out in the markets. An alternative and less costly procedure is to pre-test the sales with a group of representative housewives. This has to be done under controlled conditions with the research firm supplying the new product at the contemplated market price, as well as supplies of its competing products at existing market prices. The sales are then tabulated and analyzed to determine the probable consumption and sales of the new product.

## ASA APPOINTMENTS

Chet Randolph has been named acting executive Secretary-Treasurer of the American Soybean Association, replacing George M. Strayer who resigned May 1 to devote full time to his personal interests in the soybean industry.

In announcing the changes ASA President Laurel C. Meade said:

"Chet Randolph's long tenure of experience in the public relations field topped by two years as ASA field director, combined with his deep interest in soybean producers and their stake in international trade make him well qualified for this important post. He will be capably backed up by an excellent staff including Howard E. Grow as administrative assistant..."

Meade also announced the appointment of Scott Sawyers as country director in charge of the ASA soybean promotion program in Japan. Scott will work directly with the Japanese oil processors in the operation of the promotion program for soybean oil. He has B.S. and M.S. degrees in agri-

cultural economics from the University of Missouri, experience as a farmer in the soybean producing area, and before coming to ASA worked in the marketing research department of FS Services, Inc. (a large farm supply cooperative) headquartered in Bloomington, Illinois.



SCOTT SAWYERS, Country Director for Japan, American Soybean Association.

## EUROPEAN AGRICULTURAL JOURNALISTS VISIT U.S.

About forty members of the International Federation of Agricultural Journalists from West Germany, Great Britain, Holland, Norway, Switzerland, Denmark, Finland, and France visited the U.S., June 5-16. The group then proceeded to the International Congress of Farm Writers in Montreal, June 18-21.

In Washington they met with Secretary Freeman, Deputy Assistant Secretary Eskildsen, FAS Administrator Ioanes and other USDA officials. Visits

were made to the Beltsville Agricultural Experiment Station, several commercial farms, a dehydrated alfalfa plant in Ohio, the Board of Trade in Chicago, corn and poultry research enterprises in Illinois, and Michigan State University.

The newspaper and magazine writers traveled at their own expense. Arrangements for the trip were worked out by the American Agricultural Editors Association and USDA. U.S. commercial firms hosted the visitors at various points during the trip. Berk Beukenkamp, FAS, accompanied the journalists; and teamed up with Henry Seften, IADS, and Guy Schilling, FAS, in performing the translation chores for the official visits in Washington.

## ATTACHE ASSIGNMENTS

*W. L. (Bud) Phillipsen*, Dairy and Poultry Division, is to be the Agricultural Attache in Trinidad and Tobago, replacing Frank Ehman, who is being assigned as Agricultural Attache to Yugoslavia.

*Byron K. Montgomery*, Dairy and Poultry Division, is to be the Agricultural Attache in Costa Rica, replacing Arthur G. (Scotty) Kevorkian, who is retiring.

The following are preparing for assignments as assistant attaches:

*Harold Rabinowitz*, Trade Projects Division, to Rio de Janeiro.

*Roland (Bud) Anderson* Dairy and Poultry Division, to Bonn.

*Milton Anderson*, Program Operations Division, to Monrovia.



*Ken Howland*, Trade Projects Division, to London, and Frank Pado-vano, Fruit and Vegetable Division, (previously scheduled to go to London) to Paris.

*Gordon Nicks*, Cotton Division, to Tokyo.

*Leon (Lee) Mears*, Dairy and Poultry Division, to Tokyo.

*David Riggs*, Economic Research Service, to the Hague, replacing Dona Hersey, who will be going to Caracas as assistant agricultural attache.

## THAILAND PROFILE SURVEY

Market development opportunities in Thailand are indicated from an FAS profile survey conducted by Ed Collins and Berk Beukenkamp this April.

The country's economic growth rate has been ranging from 7 to 8 1/2 percent a year--the highest in Southeast Asia. Bangkok, the capital, is a city of 2,500,000 people. In addition to tourists, the city has a sizeable permanent population of European extraction and a growing number of local people who want and can afford western-style foods.

The greatest market opportunities at present are with the institutional trade, especially the hotels catering to the tourist trade of which there are a growing number in Bangkok.

While some imported foods are already offered in Bangkok, the survey indicates that more would sell if available. The stores are small and lacking in storage space but this situation is

expected to be remedied over the next few years. There is a shortage of refrigerated warehouse space and home refrigeration. There is considerable newspaper advertising of food products and some television and billboard advertising.

The American foods were found to have a good reputation for quality in Thailand, although prices of our products are high because of transportation and customs charges.

Visits were made to Chiangmai and Korat, as well as Bangkok. Interest in American foods seemed to extend throughout the country. In Chiangmai the team found a restaurant specializing in steaks and other American foods.

The Grocery Manufacturers of America and FAS are cooperating in a processed foods exhibit at the U.S. Trade Center in Bangkok, October 31-November 9, to explore the possibilities in the Thai market. The Department of Commerce will be exhibiting supermarket equipment and the Super Market Institute will be sponsoring a seminar on supermarket equipment and operation.

## THE IMPORT LEADERS

The United Kingdom, according to Economic Research Service statistics, continues to hold first place as the world's largest agricultural importer with farm product imports of \$5.8 billion in 1965. West Germany was second (a position held by the U.S. for many years) with \$4.8 billion, followed by the United States at \$4.1 billion, Japan \$2.8 billion, France \$2.6 billion, Italy \$2.2 billion, and the The Netherlands \$1.3 billion. The ranking is on c.i.f. values.



MELVIN G. MAIER, Director, European-African Regional Office, Great Plains Wheat.

## MAIER NAMED GPW DIRECTOR

Melvin G. Maier, Assistant Administrator of the North Dakota State Wheat Commission, Bismarck, North Dakota, has been named Director of the European-African Regional Office of Great Plains Wheat.

The regional office is located in Rotterdam, The Netherlands. Maier will replace Marx F. Koehnke who is returning to the U.S.

He will assume his post about August 15 and will be responsible for the organization's market development program in Europe, Africa and the Near East.

Maier, 33, a native of Elgin, North Dakota, joined the Commission in April, 1963, after earning a Master of Science Degree in Agricultural Economics from North Dakota State University.

## CLIFF HOPE HONORED

April 27 was Clifford Hope Day at the annual 3-I show in Liberal, Kansas in honor of the former Kansas Congressman and the first president of Great Plains Wheat. He retired from the association in 1963 after serving at the helm since its formation in 1959.

Kansas Senator Frank Carlson presented Hope with a plaque. The 3-I exposition shows implements, irrigation and industry of Kansas.

Hope first went to Congress in 1926 and served for 30 years. He was chairman of the Agriculture Committee and was one of the authors of Public Law 480. He was also a staunch supporter of soil and water conservation projects.

## KENNEDY ROUND CONCLUDES HAPPILY

"U.S. farmers came out ahead in the Kennedy Round of trade negotiations," reports John A. Schnittker, Under Secretary of Agriculture. Writing in the June 5 issue of Foreign Agriculture magazine, Schnittker states in part: "Concessions won at Geneva will mean larger foreign markets for a number of our agricultural commodities. In my opinion, the trade talks have brought measurably closer the date when our farm product exports will hit the \$10 billion mark.

"The 3-year grains agreement that was concluded will raise minimum prices of wheat moving in world trade--increases that will be reflected in part



to U.S. producers. Furthermore, the agreement calls for industrialized importing nations to provide food aid to the less-developed countries, which should open new commercial outlets for U.S. grain. That's not all. We got tariff concessions averaging about 25 percent on a long list of other farm products. The overall trade "package" unquestionably will raise the volume of farm products moving in world trade--and, of course, the general level of U.S. exports.

"We didn't get all we asked for. We had hoped for deeper tariff cuts--for more dismantling of nontariff barriers. But trade negotiation must be a process

of give and take. If each side were to hold out for all its initial demands, agreement would never be reached. As it turned out, we got part of our demands; our trading partners got some of theirs. The final bargain concluded at Geneva, though a product of compromise, bears out the old saying that a thing need not be perfect to be good."

The complete details of the many, complex commodity-by-commodity agreements are expected to be available next month, after governments around the world have formally approved what the negotiations have agreed to.



## HERE and THERE

*Amjad H. Gill*, previously with the Statistical Reporting Service, Sioux Falls, South Dakota, has joined the Program Funds Branch as a program analyst for market development. A naturalized American born in Pakistan, Gill received a B.S. from Oklahoma State University and a M.S. in agricultural economics from the University of Missouri.

*Bill Scholz*, on home leave as assistant agricultural attache at the U.S. Trade Center in London, reports continued interest in American in-store promotions. Eight have been held in the U.K. over the past five years. The most recent one was with the St. Cuthbert's food chain in Edinburgh.

*The Taiwan Wheat Products Promotion Council*, the Wheat Associates co-operator in Taiwan, is building a baking school and laboratory. Peter and Paul Hsu, whom WA brought to the U.S. last year for a training course at the American Institute of Baking, are busy making translations of the text books and will be instructors at the school.



*DeVoe Willard*, president, National Peanut Council, and two members of his export committee were in the United Kingdom this month evaluating the potential for peanuts and peanut products.

*A Colombian vegetable oil team* was in the U.S. last month as guests of the Soybean Council and FAS. The 4-man team was composed of representatives from the National Federation of Fats and Oils Processors, National Institute of Supplies (the government purchasing organization), and National Institute of Nutrition. Visits were made to vegetable oil handling and loading facilities, research laboratories, the Chicago Board of Trade and USDA/Washington. Colombia bought about 30,000 tons of vegetable oils from free world sources this past year and is becoming an expanding market for U.S. soybean oil.

*U.S. Cheese* and its place in overseas trade were featured in a recent issue of *Lykes Fleet Flashes*, a house organ with 14,000 circulation among ocean traders. The Dairy Society International staff and FAS Dairy and Poultry Division helped prepare the article.

*A picture story of market development*, "U.S. Agricultural Exports--Bigger Than Ever In 1967," has been published by USDA for use of magazine newspapers and others interested in the export trade. Copies of the 6-page pamphlet can be secured by writing to SPOTLIGHT.

*Otho Skaer*, Spokane, Washington, has been under contract with Great Plains Wheat for the past few months, giving technical assistance to the European grain trade.

*Building Export Markets for U.S. Farm Products*, the FAS brochure explaining the responsibilities, functions and accomplishments of the market development program, has met with a good reception and has been given wide distribution among cooperators, trade, industry and government leaders. Supplies of the initial run are now practically exhausted.

*Ivan Johnson*, Livestock and Meat Products Division, will be acting agricultural attache in Copenhagen, June 10-September 1, while Art Rollefson is on home leave.

*Japanese imports of U.S. inedible animal fats* have increased about 40 million pounds over the past two years, partly on account of National Renderers Association's promotional efforts. NRA President Stanley Frank, Executive Director Dean Specht, and FAS representative Ivan Johnson were in Japan this April to review and evaluate the program. Expanding the sales programs already started and determining a means of measuring the results were among the subjects under consideration.

*Beef seminars* for the luxury hotel and restaurant trade are being held this month in Amsterdam, Zurich, Geneva and Paris for the promotion of U.S. high quality beef. The seminars are being sponsored by the FAS Livestock and Meat Products Division and the agricultural attaches in the respective countries.

*The National Renderers Association* held a seminar in Paris, June 4-6, for research and tradespeople in the feed industry at which papers were presented on the benefits of animal fats in milk replacers. This was followed, June 8, in Bonn, Germany, by an NRA Information Day on "Fats and Animal Proteins as Used in the Formulation of Feed Rations."

*Dave Hume*, FAS Assistant Administrator for Export Programs, was the speaker at the June 13 Washington, D.C. Agricultural Workshop of the American Marketing Association. His subject, naturally, "Expanding Exports for U.S. Agricultural Products."

*The Megara livestock and poultry feeding exhibit*, first postponed in May because of unsettled political conditions in Greece and later because of unsettled political conditions in Greece and later because of the Mid-East Crisis, is now scheduled for June 24-July 3. The livestock and feed products seminar, originally planned to take place in conjunction with the exhibit, was held on schedule. Over 500 attended.

*Edd Lemons*, former Oklahoma Extension Editor, is on a year's assignment at the Agricultural Attache's office in Tokyo to handle information on the Tokyo Trade Fair for the FAS International Trade Fairs Division.

## COTTON PLENARY MEETINGS

The Second Plenary Meeting of the General Assembly of the International Institute for Cotton was held in Amsterdam, The Netherlands, June 8-10. The session opened with a Cotton Research Conference to discuss research objectives, needs, and opportunities, easy care finishing of cotton textiles in Europe, and dissemination of research findings. The General Assembly discussed administrative and program matters. Purpose of the Institute is to increase the consumption of cotton in Western Europe and Japan, and the research program is directed toward this aim.

The Twenty-Sixth Plenary Meeting of the International Cotton Advisory Committee was also held in Amsterdam this month. The supply-demand situation for various grades and staples of raw cotton on a world basis was considered. Inter-fiber competition was also a primary subject of discussion.

The International Cotton Advisory Committee is an inter-governmental organization of 40 cotton producing and consuming countries, accounting for over 90 percent of world production, consumption, and trade. Its principal aims are to keep the cotton situation under constant review, to disseminate economic and statistical information, and to provide a forum for international discussion of cotton problems.